

GROUND BROKEN FOR \$2,000,000 LATHAM BUILDING

Commercial Organizations Join Rites for Skyscraper on Telegraph.

Oct 17 1925
Representatives of practically all the commercial organizations of the city were present this morning when Miss Edith Latham turned the first shovelful of dirt for the foundations of Oakland's newest skyscraper, the \$2,000,000 Latham Square building, Sixteenth street and Telegraph avenue.

Miss Latham is the donor of the historic fountain at the ^{the} gore of Telegraph avenue and Broadway after which the square and the new building take their names.

With President E. C. Lyon of the chamber of commerce acting as assistant engineer, Mayor John L. Davie, as engineer, set the steam shovel in operation which is to excavate for the two complete floors which the building is to have below the surface of the earth.

F. M. Ray, president of the Uptown association, and Dr. Howard A. Post, president of the Telegraph Avenue association, were present to congratulate the builders.

Work on the building will continue from now on and the structure will be ready for occupancy by September, 1926, George Jameson, the builder, announced. The building will have 14 stories above and two below the ground, including parking space to accommodate 152 cars. The ground floor will be occupied by stores and the other 13 stories by 390 offices.

CIVIC LEADERS TO BREAK GROUND FOR SKYSCRAPER

Oct 15 1923
New Latham Square Building to Be Completed in September, 1926.

Tomorrow at 10 o'clock the steam shovels will be set to work on the site for Oakland's newest skyscraper, Latham Square Building, on sixteenth and Telegraph at their juncture with Broadway.

In recognition of the importance of the project the ceremony will be attended by Mayor John L. Davie, Ed C. Lyon, President of the Chamber of Commerce, Dr. Howard A. Post, president; Charles H. J. Truman, first vice-president; George F. Stoll, second vice-president, and T. L. Bacon, secretary-manager of the Telegraph Avenue District Development Association, and F. M. Ray, president and George E. Sheldon, secretary-manager of the Uptown Association.

Representing Latham Square Corporation will be George G. Jamieson, of Rhodes-Jamieson Company, president, and Maury I. Diggs, secretary-treasurer, architect and superintendent of construction of the building.

Other Latham Square Corporation directors, Edward L. Soule, vice-president; Whitman Symmer of Thomas Day Company, George L. Hodson of the National Lath Company and William J. V. more, of General Elevator company, will also be present.

Latham Square building will be Class "A" with structural steel frame and walls of architectural terra cotta and face brick, it will rise to a height of fourteen stories and have two floors below ground. The lower floor will be devoted to stores, forty feet having already been leased to the Owl Drug Company, thirteen upper floors will contain 390 offices aggregating 70,000 square feet. Such is the design of the building that 96 per cent of these offices will be outside rooms, it is stated.

A feature of the new building will be the self-contained garage and parking station. This will occupy the two basements and will be reached by the building's four high-speed elevators. It will furnish parking space and complete garage service for 152 cars.

A roof garden with lunch room will be another feature.

Latham Square Building which will represent an investment of close to two million dollars will be completed in September 1926.

Don't Let Deceit

LATHAM OFFICE BUILDING SOLD BY TRUSTEES

TRIB D — AUG 21 1930

Majority Group of Bond- holders Purchase Prop- erty for \$650,000

Latham Square building, Sixteenth street and Telegraph avenue, was sold for \$650,000 late yesterday to a majority group of bond holders under a trustees' sale to satisfy claims of holders of \$890,000 worth of the \$940,000 in outstanding bonds.

The \$650,000 bid was submitted by H. S. Boone of San Francisco, chairman of bond holders protective committee, when the building was offered for sale by the American Trust company, trustee.

Final transfer of title to the property, however, may be blocked by litigation brought to protect interests of holders of more than \$200,000 worth of second mortgages and unsecured claims against the Latham Square corporation, builders of the office structure. The principal claimant in this latter group is the Owl Investment company, which holds a \$154,000 second mortgage. The other claims total approximately \$60,000.

Sale of the building by the trustees followed a year of financial difficulties by the corporation and several months of federal court litigation to have the building included as an asset of the corporation under bankruptcy proceedings. The court effort, however, was dissolved last week.

FAILED TO PAY

The financial difficulty arose last September when the corporation failed to meet \$30,000 in interest charges and \$15,000 due on the principal and the majority bond holders took steps to take over the building under the first mortgage trust deed. The committee headed by Boone obtained control of all but \$47,500 worth of the outstanding bonds.

Although the sale of the premises was scheduled for several occasions during the spring and summer it was forestalled by a federal court injunction obtained by the corporation in connection with bankruptcy proceedings filed to protect the interests of the holders of the second mortgage and other claims.

This injunction was dissolved last week, but, according to E. C. Street, trustee under the bankruptcy proceedings, the decision of Federal Judge Harold S. Louderback holding the claims of the first mortgage bond holders were to be considered first in the financial tangle, will be appealed to the higher court. This appeal may forestall transfer of title to the building until the case is finally settled. Thirty days are permitted for perfecting such appeals.

CLAIMS MAY BE LOST

According to Street if the sale of the building under the trustees sale becomes final, the claims of the second mortgage and other unsecured liabilities will be lost.

If the sale becomes final the holders of bonds not included in the purchasing pool will receive a percentage of the value of their securities Street said.

Oakland Corporation Sued for \$305,103

SAN FRANCISCO, Nov. 12.—Maury I. Diggs, well-known Oakland architect, and other directors of the Latham Square corporation of Oakland, were named as defendants today in a suit for \$305,103, brought by G. Paoli, who claims to be a creditor of the corporation. Others named with Diggs as defendants are G. G. Jamieson, W. J. Wigmore, Edward L. Soule, George Hudson, Whitman Symmes, and the corporation.

TRIB D NOV 12 1931

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TRIB D NOV 12 1931

Office Building Fire Disables Elevators

TRIB F JUN 22 1943

Elevator service was halted in the 16-story Latham Square Building at 16th Street and Telegraph Avenue today when fire damaged motors, wires and cables in the upper two floors.

Damages was held to an estimated \$500, but officials and employees in the scores of offices on the lower 14 floors were forced to use the stairways.

Firemen had to climb the stairs to get to the blaze, the cause of which was not immediately determined. It was reported it would require several hours to get the elevator system into operation.

LATHAM SQUARE

BUILDING SOLD

FOR \$900,000

TRIB D FEB 15 1945

Sale of the Latham Square Building at 16th Street and Telegraph Avenue to a group of 20 Metropolitan Oakland and San Francisco property owners for \$900,000 was disclosed here today.

Negotiations for the purchase of the 16-story structure, one of the largest office buildings in Oakland, were made through the Melvin G. Jeffress Company, San Francisco brokerage firm, and the Morgan and Peacock Properties Company of Berkeley. The latter firm represents the 20 purchasers.

A series of improvements, including complete remodeling of the two-floor underground garage and renovating of the hallways, are planned by the new owners, according to Jules J. Agostini, official of the properties company.

The building, erected in 1926 at a cost of \$2,000,000, was owned by stockholders in the Latham Square Corporation.

Agostini said the properties company will act as managing agents for the new owners.

Some 390 offices are situated in the 13 floors above the main floor of the building. Numerous stores fronting on 16th Street and Telegraph Avenue occupy the first floor.

At present, the garage occupies 21,000 square feet and houses almost 100 automobiles. Other proposed improvements include the addition of a fourth elevator. All improvements hinge on priorities and some cannot be made until after the war, Agostini pointed out.

PROSPECTS BETTER FOR RETURN OF MILITARY LEASES

Prospects of Oaklanders obtaining much-needed office building vacancies which were leased by the military more than four years ago are considerably improved, it was reported to the City Council last night by Charles R. Schwanenberg, city manager.

The report on office building vacancies was asked two weeks ago by Councilman Frank Shattuck, who complained that much of this space still was being retained by governmental agencies.

The report shows:

The old Taft & Pennoyer Building, 14th and Clay Streets, which has been used by the Kaiser Industries, has been vacated and is for lease.

The old Breuner Building, 15th and Clay Streets, leased by the California Quartermaster Corps, will be available for rental and occupancy and is being vacated at this time.

The Elks Building, 20th and Broadway, is being vacated by the Army Air Corps and has been purchased by a user.

Building on 17th Street between San Pablo and Telegraph Avenues. Two upper floors which have been occupied by Merco Nordstrom Company have been vacated and are available for rental.

The Maritime Commission expects to vacate the Financial Center Building by April 15, but final verification is being awaited from Washington. The Treasury Department will occupy one floor after the Maritime Commission vacates, leaving 10 floors available for private tenancy.

The Kaiser Company at present occupies one and one-half floors of the Latham Square Building, having vacated four floors to date. The building is 100 per cent occupied.

At Shattuck's suggestion, the City Manager promised to conduct a survey to determine what percentage of parking space granted to the military forces may be reclaimed for the motoring public.



MEN AT WORK



By C. N. Alexander

Financial Editor The Post-Enquirer

P-E APR 1 - 1948

Two of Oakland's largest office buildings have just been refinanced to the extent of \$1,600,000 as a part of an improvement program that is being carried out by the owners through the firm of Morgan & Peacock, building managers.

The Prudential Insurance Company has just made a new loan of \$750,000 on the Financial Center Building, 14th and Franklin streets and another new loan of \$850,000 on the Latham Square building, 16th street and Telegraph avenue.

Both have undergone substantial improvements.

In the Financial Center building, the basement has been remodeled to provide for a coffee shop, barber shop and one or two other service business. This remodeling will be completed soon.

The improvement program is being extended to other office building and apartment house properties under Morgan & Peacock management and refinancing of several of them is expected to follow shortly.

One Injured in

Drugstore Fire

TRIB D APR 7 - 1948

One fireman was overcome by smoke and others were forced to don gas masks early today in a fight against a three-alarm blaze in the Owl drugstore at 1601 Telegraph Avenue.

Damage in the fire was estimated at more than \$10,000.

Assistant Fire Chief C. H. Weber said the fire apparently broke out in a basement kitchen of the store, which is situated in the Latham Square Building. Floyd Omingo, 31, of 3224 Elm Street, a janitor in an adjoining building, discovered the blaze shortly before 3 a.m.

Fifteen pieces of apparatus were summoned to the scene by the three alarms. Dense smoke, coupled with gas fumes which spread through the store when a tank broke on a refrigerator, forced the firefighters to wear gas masks.

The store, itself, and stock in a basement supply room were damaged. Firemen cut holes in walls on the first floor to extinguish smouldering fires. Glass doors and mezzanine floor windows were smashed so the place could be ventilated.

Fire Capt. William Middleton, 41, of 4571 Reinhardt Drive, was taken to Merritt Hospital after he was overcome by smoke.

Some smoke damage may have occurred at an adjacent clothing store at 1605 Telegraph, firemen said.

hibiting the use of certain materials in civilian production.

TR D MAR 20 1951

Completion of ground floor remodeling of the Latham Square Building at 16th Street and Telegraph Avenue, and final installation of a "living band of light" across the facade on the structure's third-floor level, was announced here today.

Jules J. Agostini Jr., head of Morgan and Peacock Properties Company, property management firm, said more than five miles of wire and 4200 lamps were used in the display. Travel and blinking motion of the light band is controlled by 58 and 78-point flasher units—largest on the Pacific Coast. The display carries an electrical load of 42,000 watts.

The Super-6, a 56-seat version of the 82-passenger tourist Douglas DC-6B type Clipper now used on Pan American's trans-Atlantic service, will be operated on the Europe to Far East sections of the round-the-world route.

The opening of the Webster Building, 1322 Webster Street, was announced this week by Jules J. Agostini, head of Morgan and Peacock Properties Company, contract managing agents for the building.

Now ready for occupancy, the building has undergone extensive remodeling in recent months. New improvements in the four stories, mezzanine and basement comprising more than 22,000 square feet include moveable partitions, accoustical tile ceilings, special under-the-floor ducts for all electrical wiring, automatically controled heating and automatic elevator service.

Facilities have been planned especially for large business firms wishing to consolidate offices in one location. The moveable partitions permit either private or departmental office area arrangements.

The Webster Building is served by an adjacent 30-car parking lot.

Other Oakland buildings managed by Morgan and Peacock are the Latham Square, 16th and Telegraph Avenue; Financial Center, 405 14th Street, and the Jules Building at 364 14th Street. All four, including the Webster Building, are managed by D. R. Hannaford.

Suit Attaches 5 Buildings Here

Five major Oakland buildings will be posted with notices of attachment Monday as the result of a \$300,000 writ issued by the Alameda County Superior Court.

They are the Latham Square, Chamber of Commerce, and Jules Buildings, the Bellevue Staten Apartment and the Hill Castle Hotel, valued at a total of several million dollars.

The writ, tying up any income from the buildings, was filed with the county recorder's office late yesterday by Atty. R. Arthur Bellman of Berkeley on behalf of Jules J. Agostini Jr. and Amanda Hanford Morgan.

SUIT FILED

The writ followed a suit filed in Superior Court Monday by Agostini and Mrs. Morgan to recover \$300,000 allegedly owed them by a syndicate of eastern and northwestern investors.

The syndicate bought the five buildings last Oct. 17 as part of one of the largest "package" real estate deals in Pacific Coast history. A total of 26 Oakland and Berkeley buildings were involved, at a cost of approximately \$11,000,000.

The buildings had been owned

by nearly 100 Oakland area investors and managed by the Morgan and Peacock Properties Co., headed by Agostini and Mrs. Morgan.

At the same time, but in a separate deal, the eastern and northwestern investors bought the Morgan and Peacock Properties Co. name and goodwill. Col. William Neblett, another attorney for Agostini and Mrs. Morgan, said the price was \$385,000, of which \$85,000 was paid in cash at the time of purchase. He said the remainder has not been paid, hence the complaint.

NEW CORPORATION

Neblett said the new investors formed a new corporation, Morgan-Peacock Properties Corp. to replace Morgan and Peacock Properties Co.

The complaints names as defendants Morgan-Peacock Properties Corp.; Roger L. Stevens of New York; F. M. Atterholdt and Don R. Hannaford, both Oakland; F. R. Clodfelter, and John A. Metzger, both Seattle. There was no comment from the defendants.

Sheriff's Capt. Herbert Ziehn said he will post the five buildings, and a parking lot adjoining the Chamber of Commerce Building, also named in the writ, on Monday.

Latham Square Building Sale Told

JUN 2 - 1960

Purchase of the Latham Square Building at 508 16th Street by a group headed by Mattei Development Company of San Francisco was announced today by Peter O. Mattei, president of the development company.

Amount paid for the building was not disclosed.

The seller was in a syndicate headed by Roger Stevens of New York, which acquired the property in 1955 in an \$11,000,000 deal involving the purchase of 26 Oakland and Berkeley structures. The syndicate reportedly paid \$2,500,000 for the building.

The structure, built in 1926

at a cost of \$2,000,000, is a 15-story, class "A" office building. It is one of the five largest office buildings in Oakland, having 83,700 square feet of office space in addition to ground-level stores and three basement garages parking 100 cars.

Three hundred and ninety offices occupy the upper levels.

Built by the Latham Square Corporation, it was sold in 1945 to a group represented by the Morgan and Peacock Properties Company of Berkeley, which in turn sold it to the Stevens syndicate as a

part of the 1955 26-building package deal.

Leonard Leon and Brant Gard of Coldwell, Banker & Company negotiated the sale, representing both the buyer and the seller.

D. R. Hannaford, vice-president of the Morgan-Peacock Management Corporation and manager of the property since 1945, will continue in this capacity for the new owners.

Peter Mattei, in announcing the purchase, said there will be no radical change in operation of the building, although it is planned to modernize and improve its facilities.

Mattei, whose residence is at 3131 Teigland Road, Lafayette,

built the El Monte shopping center east of Concord, and last year purchased a block of buildings on Los Angeles' Wilshire Boulevard for \$5,000,000. The purchase was one of the largest single acquisitions of Wilshire Boulevard frontage in the history of the southern city.

The Mattei Development Company is also active in apartment development and construction in Marin County and in Belmont. It is building a motel at Redwood City, and recently acquired 24 acres of unimproved land in the city of Napa, on which a commercial development is contemplated.

AC Offices

TR E APR 11 1963

Move This Weekend

AC Transit will move its general headquarters this weekend from 1106 Broadway to the Latham Square Building, 16th St. and Telegraph Ave.

A ticket office and customer service bureau will be established on the fourth floor of the new headquarters building.

The district's lost and found department, now located at the Emeryville Division office, will be moved to the Latham Square building in about two weeks to provide a location more convenient to the public.

Kenneth F. Hensel, AC general manager, said that the ticket office will handle distribution of timetables and other routing information as well as the sale of tokens, commute books, tickets, Sunday passes and school tickets.

The district will occupy the third and fourth floors of the building. Calls for information will continue to be handled through OL 3-3535, but the executive offices have been assigned a new telephone number, OL 4-7878.

AC directors voted to move from 1106 Broadway, Eastbay transit headquarters since 1943, after a special committee investigated more than 40 proposed sites.

Latham

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Goldhagen

By Lon M. Carlston

Tribune Real Estate Writer

The Latham Square Building, a 16-story, 100,000-square foot office structure at 16th and Telegraph in Oakland, has been sold to Oakland investor Al Goldhagen and a group of associates for \$2 million.

The sale represents the fourth large building purchase by the Goldhagen group in downtown Oakland in less than three years.

Other office buildings the group has purchased include the Broadway Building at 14th and Broadway, the Cathedral Building at 16th and Broadway and the Unity Building at 13th and Broadway. Total value of the four structures, according to Goldhagen, is in excess of \$6 million. All are concrete and steel structures.

Outside of the Kaiser Building and holdings, Goldhagen is now the city's largest owner of office space with 250,000 square feet.

What's behind the move?

"It reflects the confidence I have in Oakland and in Oakland's future," Goldhagen declared. "This city has a lot to offer. The Coliseum and Raiders have put this city on the map, likewise the Port of Oakland and container shipping, the airport and Hegenberger area," he said proudly.

"And in a year rapid transit will be a reality. Then watch the downtown area. I foresee a re-stimulation and revitalization of Oakland and I

Continued Page 4-C, Col. 5

hagen Confident

Continued from Page 1-C
want to be a part of it."

Goldhagen and his group are already a part of it, but he admits it isn't purely for aesthetic reasons.

"Sure I like the area, but I want to make money, too," he said. "And I think I can. Look where my buildings are situated. All are near or in front of rap-

id transit station sites. If BART makes only one-tenth the impact predicted, the downtown area will boom again."

Goldhagen's son-in-law, Roger Martin, will manage the Latham Square Building.

The real estate investor and syndicator hasn't sat back on his haunches waiting for things to happen here.

After buying the Unity Building, formerly the Easton Building or Union Trust Building, in November 1967, Goldhagen promptly put \$500,000 into remodeling the 11-story structure.

As a result it presently boasts a 99-per cent occupancy rate instead of the 90 per cent vacancy rate which existed when it was purchased.

In April 1968 the Goldhagen group bought the eight-story Broadway Building, remodeled it for \$125,000 and now reports a 40 per cent boost in occupancy.

Not stopping there the Goldhagen forces pur-

chased the 14-story Cathedral Building in September of 1968 and invested more than \$200,000 in remodeling, carpeting, fixtures, paint and lighting.

From a former occupancy rate of 70 per cent, the building is now more than 90 per cent occupied.

The new owner isn't going to let well enough alone with his latest purchase which was formerly owned by the Perini Corp. of Boston.

Work begins tomorrow on an extensive \$300,000 remodeling program which includes new carpeting and lighting in the hallways of all 16 floors plus wallpaper and paneling.

Remodeling and redecorating of all restrooms, along with the other work, will be completed by the first of the year, Goldhagen said.

"We think we can offer much more personalized management and service to those who rent from us than an absentee owner can," he noted.

"We have our own office furniture company and our own remodeling crews and management organization. We're right here and this is where we're going to stay.

Goldhagen has been an Oakland resident since 1944 when he received his discharge from the Navy here. He's been involved with real estate investments and syndication since 1961 when he sold three jewelry stores he owned here.

Leonard J. Leon, investment manager with Grubb and Ellis Co., handled the sale of all four buildings for Goldhagen.

The new Latham Square

owner singled out Bill McGuire, manager of Wells Fargo Bank's Oakland main branch, for financial help in the latest purchase. "It's nice to know there are others who share the confidence and feelings for Oakland that I do," said Goldhagen.

He added that in the last year seven different companies from San Francisco have opened branch offices in two of his buildings. "They're smart," Goldhagen said. "They want a piece of the action and this is where it is and will be. It's as simple as that."

What lies ahead for Goldhagen?

"We're looking for more buildings to buy here," he said confidently. "Now if some of these other owners would upgrade their buildings . . ."

Historic Oakland building sold

WED JUL 30 1986

By Catherine Schutz
The Tribune

The historic Latham Square building at the corner of 16th Street and Telegraph Avenue has been sold for \$4.5 million to an Oakland man who plans substantial renovations.

Owner Ray Castor will "put in a grand lobby off Telegraph Avenue," said George Gold of LML Real Estate Developers which is managing the property. Gold said the new lobby will have a main and mezzanine level, lots of glass, and space for retail shops.

The price of the overhaul is estimated at around \$1 million. Work will begin in early 1987 when AC Transit, which has its offices in the building, moves to its new headquarters now under construction at 1600 Franklin St.

Existing tenants will be invited to stay and discussions will be held about their space needs,

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Latham

Continued from Page C-1

Gold said. He said rents for the existing tenants would be reviewed on an individual basis.

Construction of the 15-story building began on Oct. 15, 1925. According to a Tribune article, "Representatives of practically all the commercial organizations of the city were present this morning when Miss Edith Latham turned the first shovel-ful of dirt for the foundations of Oakland's newest skyscraper, the \$2 million Latham Square

building . . ."

The building and adjacent square take their name from the fountain in the square which was donated by Edith Latham, the last member of a pioneer Oakland family and who was well known for her work for the prevention of cruelty to animals.

The building has had various owners, and in 1955 was part of a real estate deal, considered large at that time, in which a syndicate of Eastern and North-western investors bought 26 Oakland and Berkeley buildings for \$11 million.

Castor purchased the building from Centennial Savings, Gold said.

Developers ask Oakland concessions to lure ComputerLand

THU FEB 11 1988

By Kathy Zimmerman
The Tribune

Owners of an office building in downtown Oakland have asked the city for a \$3.75 million low interest loan and a seven-year exemption that will excuse a prospective tenant from paying the city's business license tax.

Ray Castor and David Self, former Oakland city manager and city attorney, say the city concessions would permit them to offer such attractive lease terms to Hayward-based ComputerLand Corp. that the company would move its headquarters and 500 employees to

downtown Oakland.

Self and Castor jointly own the Latham Square Building at 1611 Telegraph Avenue, located within the city's redevelopment zone. They plan a \$5 million renovation of the 15-floor building to convert it into first-class office space.

Although they can obtain a bank loan for the renovation work, Self asked the City Council on Tuesday to grant him a five-year loan of redevelopment funds at 2.5 percent interest and a moratorium on the business license tax ComputerLand would be required to pay if it was based

in the Latham building.

If Self and Castor can offer ComputerLand low lease payments and an exemption from business license taxes the computer company may be enticed to consolidate its operations in downtown Oakland instead of a suburban location where taxes and rents are lower, Self said.

Computerland spokeswoman Lois Long said yesterday that the company does not plan to decide whether to move its offices until April. The company's administrative offices are currently located in East Oakland while its distribution plant and most

workers are located in Hayward.

"We're not committed to any developer," Long said. "We are considering moving to Pleasanton, Hayward or downtown Oakland."

Castor said ComputerLand currently pays only \$200 a year in business license taxes, while in Oakland the company would have to pay more than \$20,000 annually.

Becoming home to Computer-

Land's headquarters would be an "image-enhancer" for downtown Oakland, Self said.

"We believe we have an excellent chance if we can get some assistance from the city," Self said.

The council referred the matter to its economic development committee, but members indicated yesterday they doubt the developers' wishes will be granted.

Loan-seeking developer owes ^{County}~~city~~ \$220,000 in taxes

By Laura Evenson
The Tribune

TUE FEB 23 1988

Ray Castor, the Oakland developer who is seeking a \$3.75 million renovation loan from the City of Oakland, apparently owes more than \$222,000 in back taxes on 17 Oakland properties, The Tribune has learned.

The loan is crucial to Castor's plans to lure the headquarters of Hayward-based ComputerLand

to the Latham Square Building in downtown Oakland, which he plans to renovate.

The report on the entire matter is scheduled for review today at a meeting of the city's Redevelopment Agency Committee on Community Development, Economic Development and Training/Housing.

Meanwhile, city officials, banking experts, the president of

ComputerLand and Castor himself are divided over the significance of the delinquent property tax issue.

Castor said late last week that the loan may be a moot point since Oakland city officials have taken so long to move on his proposal.

"I've been told that ComputerLand is going to move to Hacienda Business Park in Pleasanton,

but ComputerLand may not be willing to say so because they will lose their bargaining position in leasing a site," he said. "If the city (of Oakland) had moved faster, it could have done this deal."

ComputerLand president Ken Waters denied any decision has been made. He said the company will probably not make a decision before April.

"I don't have to go anywhere for another 15 months, so we're looking at all the alternatives," said Waters, including sites in Oakland, Pleasanton and Hayward.

Meanwhile, the Oakland Office of Economic Development and Employment was working furiously yesterday to prepare a

See DEVELOPER, Back Page

report on the viability of a loan to Castor for the renovation of Latham Square Building at 1611 Telegraph Ave.

George Williams, executive director of Oakland's Office of Economic Development and Employment, said that the financial merits of the Latham Square project itself would be the primary consideration for making a low-interest loan to Castor.

"We also look at the strength of the developer, other projects they have done, and at their reputation," Williams said. "We want to look at the solvency of the developer and the (property tax) issue will certainly be raised, I can assure you."

Rich Digre, finance director for the City of Oakland, says he doesn't know whether the city will even discuss the delinquent tax issue.

He said the city is most interested in the financial condition of the property involved in the loan. "We look at the revenue stream or the potential for a revenue stream to pay off the loan," said Digre.

He said the city would also take into account the value of the land, the amount of the loan and encumbrances on it.

However, Digre said the city may look at a borrower's delinquent taxes if the property involved is not strong enough to stand on its own merits.

At that point, he explained, the city would look at the borrower's creditworthiness, including such encumbrances as loans and unpaid taxes. The city also would review liens on other properties only if the borrower needed to put a second property up as collateral to obtain the loan.

Other lenders declined to comment on Castor's situation but they questioned, in general, the wisdom of lending money to a borrower with delinquent taxes.

Don Simanoff, head of credit for Citicorp Savings in Oakland, said it is unusual for developers to fall behind in their tax payments. "They usually pay off their property taxes because they don't want to bother with tax problems," he said. He added that Citicorp usually reviews the history on loan and tax payments.

Tom Lowe, regional loan manager with Sacramento Savings in Sacramento, agreed. "Typically we get authorization from the borrower to look at the credit history in general through whatever kinds of public records are available, including property and income tax reports," he said.

Although often a developer will allow the taxes on his properties to run delinquent, said Lowe, most prudent lenders require an acceptable explanation for the delinquencies on other properties, or that the taxes be brought current before the loan is made.

Castor told The Tribune that he has not paid taxes on some properties because he is appealing for lower tax assessments.

One such appeal involves the recently renovated St. Joseph's Professional Center at 2647 East 14th St., on which Castor and his partners owe \$52,795 in back taxes.

For others, such as the vacant Claridge Building at 634 15th St., he is waiting to sell the building before he pays taxes.